



MIRABELA NICKEL
LTD

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30 April 2009

Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
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QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDED 31 MARCH 2009

HIGHLIGHTS

- Construction on track for a mid-2009 start-up at Santa Rita
- US\$55m mining fleet purchase and equipment funding package signed with Caterpillar
- Signed commitment for US\$190 million senior loan for Santa Rita
- Successful equity raisings completed in Canada and Australia for US\$120 million
- Underground Resource for Santa Rita upgraded to 87.5 Mt at 0.79% Ni (690,000t or 1.500MM lbs of contained Ni)
- Positive scoping study announced for an underground mining project at Santa Rita based on a 5mtpa production rate

SANTA RITA PROJECT

Santa Rita Construction Update

Project construction is now about [85%] complete. Details as at end of March 2009 are as follows:

- Removed about 7mt of the expected 9.5mt of required stripping and commenced delivery of ore to the ROM pad
- Primary crusher civil installation complete and all equipment is now delivered
- Conveyor equipment delivered and installation is 80% complete
- Crushed ore stockpile and installation of apron feeders complete
- Grinding circuit foundations and steel infrastructure 95% complete
- Delivery of SAG and ball mills underway
- Flotation cells installed with surrounding infrastructure 90% complete
- Thickeners 80% complete
- Filter housing 90% complete and filter currently in transit
- Tailings dam complete
- Laboratory offices 80% complete with equipment expected to arrive by April

Santa Rita Mining Fleet

Mirabela has signed agreements with Marcosa S/A and Sotreq S/A to acquire the mining fleet for its Santa Rita Nickel Project. The fleet will include 8 Caterpillar® 777 - 90 tonne haul trucks, 19 Caterpillar® 785 - 137 tonne haul trucks, 3 Caterpillar® D9T track-type tractors, 2 Caterpillar® 834H wheel dozers, 3 Caterpillar® 16M motor graders, 1 O&K RH90C loading units, 3 O&K RH120E loading units, and various construction and auxiliary Caterpillar mining equipment. The total contracted price is approximately US\$55 million.

It also signed a fleet financing commitment letter with Caterpillar Financial SARL of Zurich, Switzerland, under which Cat Financial has agreed to arrange financing for 90% of the cost of the mining fleet. The financing will be available from start of delivery of the equipment.

Marcosa S.A. and Sotreq S.A. are strong and well-established Caterpillar dealerships in Brazil, to support our operations of the Santa Rita Project. We also appreciate the confidence that Cat Financial has in our Project and our people in funding our mining equipment fleet. This agreement ensures that Mirabela will have the necessary equipment to fast-track the development of the Project."

Project financing

Mirabela has now successfully secured a Senior Loan Agreement for funding of US\$190 million for Santa Rita, and equity funding of US\$120 million from a public offering in Canada and private placement in Australia, which will meet the Company's funding requirements to complete construction of the Santa Rita project and bring it into production.

The Senior Loan Agreement was signed with Barclays Bank plc, Credit Suisse International, WestLB AG, Caterpillar Financial Services Corporation and Bayerische Hypo-und Vereinsbank AG as lenders, for a US\$190 million project financing. The loan documentation will be based on an amendment and restatement of the credit facility agreement signed by Mirabela, Credit Suisse and Barclays in September 2008. Satisfaction of the conditions precedent to drawdown under the facility are well advanced, with drawdown expected to occur in mid May 2009.

On 19 March 2009 the Company completed a public offering in Canada of 120,000,000 subscription receipts at a price of C\$1.00 each for gross proceeds of C\$120 million. The proceeds of the offering were placed in escrow pending satisfaction of a number of release conditions, including execution of the Senior Loan Agreement and satisfaction of certain conditions precedent. The release conditions have subsequently been satisfied in April 2009, and the net proceeds of the offering released to the Company (less underwriting commissions and expenses payable.)

Concurrent with the Canadian offering the Company also completed a private placement of approximately 32.4 million ordinary shares, principally in Australia and Asia at a price of A\$1.20 per share for gross proceeds of approximately A\$38.9 million.

Mirabela is particularly pleased to have secured these banking commitments in an exceptionally difficult market for senior debt lending and base metals projects, reflecting the low cost, long life qualities of the Santa Rita project.

Santa Rita Drilling Results

Final drill results up to suspension of drilling activities in November 2008 were announced as follows:

Open-pit drilling

New intersections from drilling at the base of the open-pit are as follows:

Composite result from Pit Extension Drilling

Hole ID	From (m)	Composite downhole width (m)	Ni%	Cu%
MBS-609	565	87	0.87	0.44
MBS-610	492	40	0.75	0.21
MBS-612	516	53	0.77	0.20
MBS-615	441	26	0.61	0.22
MBS-616	494	46	0.87	0.24
MBS-617	350	51	0.67	0.13
MBS-618	515	119	0.80	0.22
MBS-619	345	63	0.76	0.23
MBS-620	479	73	0.85	0.25

0.4% Ni cut off grade, 4m minimum mining width

The above intersections are designed to deepen the open-pit and contribute to the conversion of Inferred resource within open-pit limits (20mt at 0.60% Ni) to Indicated status. The results demonstrate strong continuity in the Southern zone deeps as well as higher grades at the base of pit in the Central zone, and are expected to deepen the open-pit resource, particularly in the Central zone.

Most intersections are located within the area of the Inferred resource component of the in-pit resource. The average width and grade of these holes (62m at 0.79% Ni and 0.25% Cu) suggests a significant improvement on the current resource estimate. True widths are expected to be about 90% of the intersection widths.

Extended Deeps drilling

New intersections from the extended deeps drilling are as follows:

Composite results from the Extended Deeps program

Hole ID	From (m)	Composite downhole width (m)	Ni%	Cu%
MBS-607	834	68	0.85	0.25
MBS-613	1008	90	0.77	0.17
MBS-614	699	47	0.77	0.21

0.5% Ni cut off grade, 4m minimum mining width

The holes demonstrate continuity along strike of the underground resource both to the north and the south. The underground resource remains open in all directions. True widths are expected to be about 90% of the intersection widths.

Santa Rita Underground Resource and Scoping Study

An upgrade to the maiden underground resource for Santa Rita (December 2008) was announced as follows:

JORC/NI 43.101 status	Million Tonnes	Ni	Cu
Inferred Resource	87.5	0.79%	0.23%

Contained nickel – 690,000t (1,500MM lbs)

This represents a 53% increase in contained nickel compared to the previous inferred resource estimate of 55mt at 0.82% Ni.

The resource upgrade is based upon the results of three additional holes recently announced for the underground drilling program. About 97% of the underground resource is contained within one continuous zone of mineralization, with the remaining 3% of the resource located within two footwall horizons. The main resource has an average true width of about 80m, a strike length of 600m, and an average dip of 45°. The resource remains open at depth and along strike both to the north and the south.

The resource has a vertical extent of about 550m, representing 1,260t of contained Ni per vertical meter. This is considered a high tonnes per vertical metre compared to industry averages for underground nickel mines, which means capitalized underground development can be reduced on a produced unit of nickel basis. The upper limit of the resource is located about 650m deep (at -450mRL), as defined by the base of the indicated and inferred resource within open-pit limits.

Further drilling is planned, but is awaiting completion of Santa Rita project financing.

Scoping study results

A positive scoping study has provided the following estimates for the underground mining project based on a 5mtpa production rate using an inclined conveyor system and sublevel open stoping with paste backfill:

- Capital cost to full production - US\$235m (excluding concentrator expansion)
- Post production capital - US\$70m
- Sustaining capital - US\$8m pa from year 6
- Mining cost (including development) - US\$32 pt
- All costs have an accuracy of +/- 30%.

In addition, the estimated Ni recovery is 76% and the estimated ore dilution is 6%.

Work is continuing on the underground study and is comprised of detailed mine and scenario planning, geotechnical studies and paste fill characterisation based on tailings.

A 5mtpa underground production capacity would require an expansion of the existing mill facilities to about 11mtpa. This would result in an additional 28,000tpa of nickel production for a total of 55,000tpa of nickel in concentrate. There is currently no cost estimate for such a plant expansion. Such expansion would not require any substantial improvement in infrastructure. The Company intends to study the optimal economic and operational balance between the open-pit, underground and possible mill expansions.

Hedging

As at 31 March 2009 the Company had forward contracts to sell 17,000t nickel at average US\$8/lb and 9,000t copper at average US\$2.73/lb, and foreign exchange contracts to sell US\$154 million/buy Brazilian real at an average rate of BRL 2.08. The mark-to-market value of outstanding trades at the balance date was + US\$130.1 million for metals and – US\$27.4 million for FX, for a net in the money position of US\$102.7 million

Nickel and copper hedging in support of the Senior Loan was completed in the three months ended September 30, 2008. The metals hedging comprises 17,000t of nickel at an average price of US\$8.00/LB FOR July 2010 to March 2014 and 9,000 tonnes of copper at an average price of US\$7.72/lb for April 2011 to March 2015. Ni forward sold at an average price of US\$8.00lb over the period July 2010 to March 2014, and 9,000t of Cu forward sold at an average price of US\$2.73lb over the period April 2011 to March 2015. The positive mark-to-market value of these hedges was US\$130 million as at March 31, 2009.

Mirabela has forward contracts to sell USD \$119 million/buy BRL at an average BRL/USD exchange rate of 2.14 over the period January 2010 to July 2013. These agreements have a negative mark-to market of US\$21 million at March 31, 2009.

Mirabela has foreign currency agreements in place to hedge the Brazilian Real/US Dollar exchange rate applicable to US\$65 million of capital expenditures for the Santa Rita Project at an average BRL/USD rate of 1.89. These agreements mature over the three months ending June 30, 2009, and have a negative mark-to market of US\$7 million as at March 31, 2009.

CORPORATE

As at 31 March 2009 the Company's issued share capital consisted of 129,791,100 shares. The Company had cash balances on hand at 31 March 2009 of A\$3.8 million (approximately US\$2.6 million.)

On behalf of the Board of Directors

For further information contact:

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Caution Regarding Forward Looking Statements:

The forward-looking statements made in this announcement are based on assumptions and judgments of management regarding future events and results. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking statements. There can be no assurance that the capital expenditures required to construct a mine and related processing facilities at the Santa Rita Project will be as expected or that the Company will successfully arrange all required project finance facilities. There can be no assurance that an expanded mineral resource or reserve will be established at the Santa Rita Project.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MIRABELA NICKEL LIMITED

ABN

23 108 161 593

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	(28)
(b) development	(6,858)	(296,027)
(c) production	-	-
(d) administration	(377)	(3,458)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	64	1,198
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(7,171)	(298,315)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(1,383)	(2,793)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Cash acquired in subsidiary	-	-
Net investing cash flows	(1,383)	(2,793)
1.13 Total operating and investing cash flows (carried forward)	(8,554)	(301,108)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	10
1.15	Costs of the issue	(654)	(654)
1.16	Proceeds from borrowings	-	242,441
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (realised gains/ (losses) on forward contracts)	-	14,050
Net financing cash flows		(654)	255,847
Net increase (decrease) in cash held		(9,208)	(45,261)
1.20	Cash at beginning of quarter/year to date	13,049	45,955
1.21	Exchange rate adjustments to item 1.20	(42)	3,105
1.22	Cash at end of quarter	3,799	3,799

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(144)
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The aggregate amount includes payments of directors' fees, consulting fees, provision of technical services and reimbursement of expenses.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

At 31 March 2009 the company had forward contracts to sell 17,000t nickel at average US\$8/lb and 9,000t copper at average US\$2.73/lb, and foreign exchange contracts to sell US\$154 million/buy Brazilian real at an average rate of BRL 2.08. The mark-to-market value of outstanding trades at the balance date was + US\$130.1 million for metals and – US\$27.4 million for FX, for a net in the money position of US\$102.7 million.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	242,441	242,441
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(600)
4.2 Development (estimate US\$67m)	(170,000)
Total	(170,600)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,449	107
5.2 Deposits at call	350	12,942
5.3 Bank overdraft	-	-
Total: cash at end of quarter (item 1.22)	3,799	13,049

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Performance +securities <i>Convert to ordinary securities on development of a commercial mining project</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs.				
7.3 +Ordinary securities	129,791,100	129,791,100		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	15,108,900 Convert on a 1:1 basis	Nil	Exercise price \$0.60 (0.65m) \$0.95 (0.81m) \$5.60 (1.8m) \$6.20 (1.4m) \$6.20 (0.3m) \$6.20 (0.35m) \$6.20 (0.3m) \$7.22 (1.5m) US\$8.00 (5.0m) \$3.00 (3.0m)	Expiry date 30 June 2009 30 September 2009 23 February 2011 30 June 2011 7 September 2011 31 December 2011 11 September 2012 7 July 2011 Final repayment of the Norilsk loan (scheduled expiry 31/12/12) 7 July 2013

+ See chapter 19 for defined terms.

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Stephen Hills

Company Secretary

Date: 30 April 2009

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.